

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

THURSDAY



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09/04/2020

#266

COMPANIES HOUSE

1 Company details

Company number 0 7 6 8 5 4 7 5
Company name in full Heads Of The Valleys Development Company Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Kevin
Surname Lucas

3 Supervisor's address

Building name/number 2 Pacific Court
Street Atlantic Street
Post town Altrincham
County/Region Cheshire
Postcode W A 1 4 5 B J
Country

4 Supervisor's name ^①

Full forename(s) Elizabeth
Surname Manley

① Other supervisor
Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number 2 Pacific Court
Street Atlantic Street
Post town Altrincham
County/Region Cheshire
Postcode W A 1 4 5 B J
Country

② Other supervisor
Use this section to tell us about
another supervisor.

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8	Progress report																	
	<input checked="" type="checkbox"/> I attach a copy of the progress report																	
9	Sign and date																	
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Lucas Johnson Limited

Address

2 Pacific Court

Pacific Road

Post town

Atlantic Street

County/Region

Postcode

A l t r i n c h

Country

DX

Telephone

0161 929 8666



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED -
COMPANY VOLUNTARY ARRANGEMENT ("CVA")**

**Supervisor's Progress Report pursuant to Rule 2.41 of the Insolvency (England & Wales) Rules
2016**

For the period from 22 February 2019 to 21 February 2020

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT
FOR THE PERIOD FROM 22 FEBRUARY 2019 TO 21 FEBRUARY 2020**

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Receipts and Payments account

Appendix 1

SIP 9 Time Analysis and Category 2 disbursements

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Supervisor's Fees and Disbursements Policy

Appendix 3

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT
FOR THE PERIOD FROM 22 FEBRUARY 2019 TO 21 FEBRUARY 2020**

1. STATUTORY INFORMATION

Names of Supervisors	Kevin Lucas and Elizabeth Manley of Lucas Johnson Limited, 2 Pacific Court, Pacific Road, Atlantic Street, Altrincham, Cheshire WA14 5BJ
Commencement date	22 February 2018
Duration	138 Months
Court reference number	Manchester County Court 2125 of 2018
Company name	Heads Of The Valleys Development Company Limited ("the Company")
Registered number	07685475
Date of incorporation	28 June 2011
Nature of business	Specialist Construction of automotive focussed development
Registered office	1 Finsbury Circus, London EC2M 7SH
Principal trading address	1 Finsbury Circus, London EC2M 7SH
Changes in office holder	None

2. INTRODUCTION

- 2.1 Kevin Lucas and Elizabeth Manley were appointed Joint Supervisors of Heads Of The Valleys Development Company Limited ("the Company") on 22 February 2018.
- 2.2 This progress report covers the period from 22 February 2019 to 21 February 2020 and is issued pursuant to Rule 2.41 of the Insolvency (England & Wales) Rules 2016 to provide creditors with an update on the progress of the Arrangement since the period of the last report.
- 2.3 References in this report to rules and sections are, unless expressly provided otherwise, respectively references to the rules of the Insolvency (England & Wales) Rules 2016 and to sections of the Insolvency Act 1986.

3. PROGRESS OF THE ARRANGEMENT

Contributions

- 3.1 In accordance with the proposals the Company is to make contributions to the Supervisor commencing in 2021. However, due to delays caused by Brexit, regional and national elections it is expected that the Company will not be in a position to make full payments in line with the proposals and payments are anticipated to be delayed materially.
- 3.2 In addition, the effect of the current coronavirus situation on the project is not yet known but it is possible that it will have a further impact on the timing of contribution payments.

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT
FOR THE PERIOD FROM 22 FEBRUARY 2019 TO 21 FEBRUARY 2020**

- 3.3 As a result it is anticipated that the Company will propose a variation to the CVA to the creditors. Further details and formal notice of any proposed variation will be sent to creditors in due course once the full impact of the COVID-19 situation is known.

Future Actions

- 3.4 As stated above it is expected that a variation will be proposed to the CVA once the full impact of the coronavirus situation is known. Given the current restrictions and the uncertainty as to when these will be lifted it is not possible to put a timescale on when this will be sent to creditors.

4. RECEIPTS AND PAYMENTS ACCOUNT

- 4.1 A receipts and payments account for the period is attached at Appendix 1.

5. NOMINEES' FEES

- 5.1 Creditors agreed that a fee in the sum of £25,000 should be paid to the Nominee in respect of work undertaken prior to the appointment as Supervisor. No payments have yet been made.

6. SUPERVISOR'S REMUNERATION, DISBURSEMENTS AND EXPENSES

Remuneration

- 6.1 On the 22 February 2018, creditors approved the drawing of the Supervisor's remuneration to be fixed by reference to the time properly given by him and his staff in attending to matters arising in the Arrangement and that he be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
- 6.2 The Supervisor's time costs for the period 22 February 2019 to 21 February 2020 are £1,672.50 and are shown in more detail in Appendix 2. This represents 5.6 hours at an average hourly rate of £298.66 and has mainly been spent on Admin & Planning; below is further guidance on the work involved:

Category	Description of work undertaken
Admin & Planning	This represents time incurred preparing statutory documents including the Annual Progress Report for creditors, Companies House and other stakeholders. Time has also been incurred on the maintenance of records & files, case strategy and reviews
Creditors	Dealing with matters in relation to creditors' queries.

- 6.3 The Supervisors' total time costs to date since commencement are £4,622.50. This represents 20.1 hours at an average hourly rate of £229.98.
- 6.4 The Supervisor has drawn no remuneration in the period of this report.
- 6.5 It was estimated at the outset that the Supervisor's fees would be approximately £30,000 over the 11.5 year arrangement period.

Disbursements

- 6.6 Disbursements incurred by the Supervisor are split into two categories:

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT
FOR THE PERIOD FROM 22 FEBRUARY 2019 TO 21 FEBRUARY 2020**

- Category 1 disbursements are items of specific expenditure that are directly related to the case, where exact costs can be ascertained and recharged without profit, and are usually referable to an independent external supplier's invoice.
- Category 2 disbursements are additional items of incidental expenditure that relate to the estate but are either not directly attributable, or include an element of shared or allocated cost and which are based on a reasonable method of calculation. These have been previously approved by creditors at the meeting of creditors and details of rates can be seen at Appendix 3.

6.7 Category 1 disbursements incurred and recharged are set out below:

Expense Incurred	Name of provider	Balance b/fwd (£)	Amount incurred (£)	Amount recharged (£)	Balance Outstanding (£)
Court Fee	HMCTS	50.00	-	-	50.00
Specific Penalty Bond	Marsh Ltd	2,100.00	-	-	2,100.00
Total		2,150.00	-	-	2,150.00

6.8 Category 2 disbursements, where any have been incurred in the period, can be seen at Appendix 2; no such disbursements have been drawn in this reporting period.

6.9 As required by Statement of Insolvency Practice Number 9, a schedule of the Supervisor's charge out rates and disbursement charging policies is shown at Appendix 3. A copy of 'A Creditors' Guide to Supervisors' Fees' which provides guidance on creditors' rights on how to approve and monitor a Supervisor's remuneration and on how the remuneration is set is available at <http://www.lucasjohnson.co.uk/downloads/fee-guides/> Alternatively, if you require a hard copy of the Guide, please contact the Supervisor's office accordingly.

Expenses

6.10 No Supervisor's expenses have been incurred or paid during the reporting period.

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Outcome for Secured Creditors

7.1 The following security has been given by the Company and registered at Companies House:

Charge holder Name	Created	Security Type
Santander UK PLC	28 November 2012	Debenture providing a fixed and floating charge over the assets of the Company
The Welsh Ministers	20 December 2012	Debenture providing a fixed and floating charge over the assets of the Company
The Welsh Ministers	18 July 2014	Debenture providing a fixed and floating charge over the assets of the Company

7.2 In accordance with the terms of the proposal the secured creditors are expected to be settled in full

Outcome for preferential creditors

7.3 There are no preferential creditors in this matter.

**HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT
FOR THE PERIOD FROM 22 FEBRUARY 2019 TO 21 FEBRUARY 2020**

Outcome for Unsecured Creditors

- 7.4 According to the Estimated Outcome Statement to accompany the Proposal, unsecured creditors' claims were anticipated at £31,425,284. As at the date of this report, claims totalling £26,173,725 have been received from unsecured creditors. A further 34 creditors with claims estimated to be £4,819,892 have not yet submitted claims.
- 7.5 As detailed in the Proposal, the estimated dividend rate for unsecured creditors was 100p in the £ over the course of the arrangement and estimated to be paid as follows;

Year	Unsecured
	p in £
2021	10.0
2022	10.0
2023	10.0
2024	15.0
2025	15.0
2026	15.0
2027	15.0
2028	10.0
Total	100.0

- 7.6 As detailed above, contributions into the CVA are anticipated to be delayed materially and as a result it is not expected that this timetable can be adhered to. Further information will be made available to creditors when possible but due to the current restrictions as a result of COVID-19, and the uncertainty as to when these will be lifted, it is not possible to put a timescale on when this will be.

Next Report to Creditors

- 7.7 The next report to creditors will be made available to creditors following the next anniversary of the Arrangement or at the conclusion thereof, whichever may be sooner.

Kevin Lucas
Joint Supervisor

09 April 2020

APPENDIX 1 – RECEIPTS AND PAYMENTS ACCOUNT

HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT

**Voluntary Arrangement of
Holds Of The Valleys Development Company Limited
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs		From 22/02/2019 To 21/02/2020	From 22/02/2018 To 21/02/2020
£		£	£
	SECURED CREDITORS		
(2,250,000.00)	Santander	NIL	NIL
(11,461,000.00)	Welsh Government	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
31,489,134.00	Voluntary Contributions	NIL	NIL
		NIL	NIL
	COST OF REALISATIONS		
	Nominee's Expenses	NIL	NIL
	Nominees Fees	NIL	NIL
	Petitioners Costs	NIL	NIL
	Specific Bond	NIL	NIL
	Supervisors Expenses	NIL	NIL
	Supervisors Fees	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(8,124,825.00)	Connected Creditors	NIL	NIL
(10,073,353.00)	Contingent Creditors	NIL	NIL
(809,617.00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(150,000.00)	HM Revenue & Customs - VAT	NIL	NIL
(12,267,488.52)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(13,647,149.52)		NIL	NIL
	REPRESENTED BY		
			NIL

APPENDIX 2 – SIP 9 TIME ANALYSIS AND CATEGORY 2 DISBURSEMENTS

HEADS OF THE VALLEYS DEVELOPMENT COMPANY LIMITED - COMPANY VOLUNTARY ARRANGEMENT

Time Entry - SIP9 Time & Cost Summary

H0035 - Heads Of The Valleys Development Company Limited
All Post Appointment Project Codes
From 22/02/2019 To 21/02/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.20	0.00	0.10	0.20	3.50	1,162.50	332.14
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.80	0.00	0.80	0.50	2.10	510.00	242.86
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.00	0.00	0.90	0.70	5.60	1,672.50	298.66
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

H0035 - Heads Of The Valleys Development Company Limited
All Post Appointment Project Codes
From 22/02/2018 To: 21/02/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	4.00	0.00	8.00	2.80	14.80	3,417.50	230.91
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.80	0.00	3.90	0.60	5.30	1,205.00	227.36
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.80	0.00	11.90	3.40	20.10	4,622.50	229.96
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

APPENDIX 3 – OFFICE HOLDERS’ FEES AND DISBURSEMENTS POLICY

Fees based on Time Properly Given and the Estimation of Fees

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

Charge Out Rates

A table of current hourly charge out rates is provided below:

Charges for usual cases	(£)
Partner/Director/Consultant	350
Manager/Senior Manager	250-275
Assistant Manager	225
Administrator/Senior Administrator	150-200
Cashier(#)	100
Junior and Support Staff	100

A table of hourly charge out rates prior to 31 December 2015 is provided below:

Charges for usual cases	(£)
Partner/Director/Consultant	300
Manager/Senior Manager	200-250
Assistant Manager	190
Administrator/Senior Administrator	125-175
Cashier(#)	75
Junior and Support Staff	75

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors’ guides to fees, available to download from our company website or by email from this office.

The Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report. Where such increases affect the total fees incurred and take these over the totality of any fee resolution proposed previously, an additional fee resolution will be sent to creditors for their consideration.

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate.

Our fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

Expenses and Disbursements

Every case dealt with will incur expenses in addition to fees. These expenses will often also be referred to as disbursements.

Expenses will cover a number of areas, such as advertising, insolvency practitioner insurance and legal fees.

Where the Office Holder or his firm pays these out of their own funds (e.g. the firm's office account) these will be classed as Disbursements. The Office Holder is required to explain the amount and nature of such disbursements whenever a formal abstract of accounts is produced.

Regulations require that we separate Category 1 and 2 disbursements for your information. An explanation of which is as follows:

Category 1 Disbursements:

Category 1 disbursements are expenses directly attributable to the case, where exact costs can be ascertained and recharged without profit. These can, but are not limited to, include insolvency bonds, advertising, company searches, post redirection orders, postage, external room hire, external storage as well as public transport and accommodation costs incurred by staff whilst attending to the administration of the estate.

Category 2 Disbursements

Category 2 disbursements are additional overheads that relate to the estate but are either not directly attributable to it, or the exact cost is not ascertainable and therefore cannot be precisely recharged. These expenses include, inter alia, stationery, photocopying and storage costs.

Any authorised category 2 disbursements which have been charged shall be shown in the statutory abstract of accounts

The following is a current schedule of category 2 disbursements which may (*) be charged by Lucas Johnson

- Mileage shall be recharged at 50pence per mile;
- Storage of books and records at £30 per box per annum;
- Fixed charge to cover all and any circulars/correspondence at £10 per relevant party (creditors, employees, directors, members) per annum;
- Internal meeting room (where required) charged at £50 per hour or part thereof.

(*) Lucas Johnson does not ordinarily recover all category 2 disbursements, but reserves the right to do so, where such disbursements are substantial and appropriate sanction has been obtained.

The following items of expenditure will normally be treated as general office overheads by the Office Holder and will not be charged to the case:

- Telephone and facsimile;
- Printing and photocopying;
- Stationery;
- Email addresses or telephone numbers set up and used exclusively for the case;

Code of Ethics

We are required to advise that we are bound by the Code of Ethics of our regulator, ICAEW. The Code of Ethics can be located directly from the ICAEW at <https://www.icaew.com/membership/regulations-standards-and-guidance/ethics/code-of-ethics-d>